

Message Text

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PAGE 01 MONTRE 00866 312058Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
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STR-04 CEA-01 L-03 H-02 PA-02 PRS-01 INT-05 /106 W
-----010255Z 011043 /15

R 311945Z MAY 77
FM AMCONSUL MONTREAL
TO SECSTATE WASHDC 9019
INFO AMEMBASSY OTTAWA
AMCONSUL QUEBEC
AMCONSUL TORONTO

UNCLAS MONTREAL 866

E. O. 11652: N/A
TAGS: EINV, ECON, CA
SUBJ: ALCAN ANNOUNCES DOLS 200 MILLION QUEBEC PROJECT

1. ALCAN ALUMINUM HAS ANNOUNCED THAT IT WILL BUILD A DOLS 200 MILLION ALUMINUM SMELTER, WITH AN INITIAL ANNUAL CAPACITY OF 63,000 TONS, AT A NEW PLANT SITE NEAR LA BAIE, QUEBEC. SMELTER IS SAID TO BE FIRST STEP IN 10-YEAR PROGRAM TO INCREASE ALCAN'S SMELTING CAPACITY AND MODERNIZE OLD ARVIDA PLANTS.

2. ALCAN SAID ITS DECISION HAD BEEN INFLUENCED BY BUOYANT WORLD MARKET FOR ALUMINUM, PROXIMITY OF NEW SMELTING SITE TO ALCAN'S TRANSPORTATION NETWORK AND SIX HYDRO ELECTRIC POWER STATIONS, AND PROVINCIAL GOVERNMENT'S DECISION TO ESTABLISH LONG TERM TAX POLICY FOR PRIVATE POWER GENERATION. LATTER FACTOR WAS IMPORTANT AS IT ALLOWS COMPANY TO ESTIMATE FUTURE COSTS, AND PROVIDES GOVERNMENT RESPONSE TO THOSE WHO HAVE LOBBIED FOR DIVESTING ALCAN OF ITS PRIVATELY-OWNED HYDRO ELECTRIC FACILITIES.

3. NEW SMELTER IS EXPECTED TO PROVIDE MORE THAN 400 PERMANENT
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JOBS, WITH 700 CONSTRUCTION WORKERS ON SITE AT PEAK OF CONSTRUCTION NEXT YEAR. CAPITAL SPENDING ON PROJECT IS ESTIMATED AT DOLS 20 MILLION IN 1977, DOLS 85 IN 1978 AND 1979, AND BALANCE IN 1980.

4. QUEBEC GOVERNMENT WAS QUICK TO COMMENT ON ALCAN ANNOUNCEMENT, WITH ECONOMIC DEVELOPMENT MINISTER BERNARD LANDRY STATING THAT ALCAN DECISION CONFIRMS PQ GOVERNMENT'S BELIEF THAT PRO-INDEPEN-

DENCE POSITION WILL NOT HURT PROVINCE'S ECONOMY. ALCAN'S DOLS 200
MILLION PROJECT IS REPORTED TO BE LARGEST SINGLE INVESTMENT
DECISION SINCE PARTI QUEBECOIS ASSUMED POWER FOLLOWING NOVEMBER
15 ELECTION.
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Message Attributes

Automatic Decaptioning: X
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Sent Date: 31-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
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Disposition Reason:
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